

POLICY BRIEFING

This document relates to item 4.1 of the provisional MOP agenda and corresponds to document [FCTC/MOP/2/6](#)

Second session of the Meeting of the Parties to the Protocol to Eliminate Illicit Trade in Tobacco Products, 15-18 November 2021

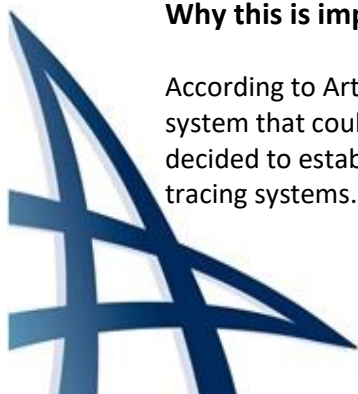
Report of the Working Group on Tracking and Tracing Systems, including the global information-sharing focal point and unique identification markings for cigarette packets and packages (Article 8)

Key Recommendations

- Considering all of the financial constraints and timing considerations, we welcome the proposed interim solution for the global information-sharing focal point (GSP) and we look forward to the development of a more permanent solution.
- It is often the case that Parties require technical assistance and enhanced capacity to set up their tracking and tracing systems. Substantial and sustainable financial and technical resources are required in order to ensure successful implementation of the Protocol, including the provision of such resources to Parties in pursuit of Article 8 of the ITP and the provision of resources of a global information-sharing focal point.
- We welcome the work and report of the Working Group and the recommendations to extend its mandate. We recommend that this mandate extension include a provision to continue to gather information on best practices in order to build on the report made by the Working Group. In order to be able to identify best practices, the collection of information on Tracking and Tracing (TT) systems and Unique Identification Markings (UIMs) should continue for all Parties to the Protocol. For example, key information should include whether the unique identifier is accessible outside its jurisdiction and whether the system applies to exported cigarettes.
- Under the mandate extension of the Tracking and Tracing Working Group, we would recommend including technical experts as Working Group members. This group needs to address both the technical aspects of tracking and tracing solutions at the global and national levels, and address policy implementation barriers to adopt solutions at the national level. It is recommended that this group includes relevant experts to support the development of the roadmap and the technical specifications of the global information-sharing focal point.

Why this is important

According to Article 8 of the ITP, all Parties will need to establish a national tracking and tracing system that could be linked into a global regime. Relatedly, at its first session in 2018, the MOP decided to establish a Working Group for the development and implementation of tracking and tracing systems. The mandate of this Working Group was to compile an overview of good practices



and to elaborate on a conceptual analysis of how a global information-sharing focal point could be set up. The Working Group's efforts in pursuit of this mandate will be critical in supporting Parties to adhere to Article 8, and we welcome the recommendation to extend the Working Group's mandate.

The global information-sharing focal point (GSP)

As per Article 8.1, the deadline for the creation of the GSP is set for September 2023. Progress towards meeting this deadline has been hampered by the COVID-19 pandemic, given the postponement of MOP2 which shortened the amount of time between adopting a decision on TT and the official deadline for the GSP to enter into force. FCA acknowledges and is thankful for the Working Group on Tracking and Tracing (WGTT) to have used the extra time between MOP1 and MOP2 to move forward in the establishment of the GSP by looking into IT requirements in coordination with the UN International Computing Centre. We welcome and support the interim GSP solution that has been proposed, given financial constraints and timing considerations. We also look forward receiving more details regarding costing and technical functioning of that interim solution.

We note that, as has been raised at different occasions, the cost of the final GSP represents a significant share of the Protocol budget, thus further reminding us of the importance to have a refined solution. We hope that the time offered by the interim solution will allow for securing a sustainable budget for that platform and we invite Parties to consider the different options to finance it.

We are confident that a permanent solution will be developed by the successor to the current WG, as there is a real need for a secure platform to exchange that confidential information worldwide to address properly global illicit tobacco trade. In the meantime, the interim solution will offer to the Parties to the Protocol a first tool to securely exchange.

Technical and financial support to Parties to the Protocol

As showcased at different occasions by some Parties, and as reflected in the upcoming global progress report on the Protocol, there is a need for technical support and capacity building, as well as financial assistance on the Protocol implementation in almost all low-income Parties. Some Parties also lack human resources and administrative capacity, which has been further affected by the COVID-19 pandemic. Support to Parties is critical and must be sustained.

FCA welcomes that this is reflected in the second pillar of the proposed implementation assistance strategy. However, it is unclear on how this is translated to activities and budget lines. All budget allocated to assistance to Parties is financed by Extrabudgetary Contributions and it is important that Parties consider securing the funding for those activities. Securing this funding will be a foundational step in securing the technical and financial support that many Parties need.

The risk in not assisting Parties in developing their tracking and tracing systems is the potential growth in tobacco industry influence in some regions. Already, the tobacco industry showcased their TT "solution" that they claim to be compliant with the requirements of the Protocol but in no way could this system help address illicit trade. This is particularly important as delegates and officials who are implementing TT provisions may be housed outside of Ministries of Health and so may not be as familiar with Protocol obligations vis-à-vis the tobacco industry as their health colleagues will be.

Continued collection of information on Tracking and Tracing (TT) systems and Unique Identification Markings (UIMs)

FCA welcomes the request included in the draft decision for the Convention Secretariat to continue the collection of information on national and regional tracking and tracing to further the current report and to present their findings at MOP3. We believe it is important to build on the work of the Working Group in their collection of information and the results they provide in the [*Collection of information on tracking and tracing systems*](#) report. The limited information gathered, given the limited number of existing systems and limited number of questionnaire responses, hampered the ability to identify best practices relating to tracking and tracing.

To be of most use to Parties, precise information on existing track and trace systems should be gathered based on the key obligations as per Article 8 of the Protocol. Important examples include:

- Whether a tracking and tracing system for cigarettes exists or is under development
- Details on the existence of unique, secure and non-removable identification markings
- Whether the unique identifier is accessible outside its jurisdiction
- Whether key pack information (date, place, manufacturer, brand description, destination) is accessible outside the jurisdiction
- Whether each system covers only cigarettes or also other tobacco products
- Whether each system covers products until all duties and other obligations have been discharged
- Existence of an aggregation link between unit packs, cartons, master cases and pallets
- Coverage of the products intended for exportation, duty free outlets, free zones, transit trade
- Data stored in an accessible database for authorized users
- Whether key obligations (including control mechanism and auditors) have been delegated (and, if so, whether they have been directly or indirectly to the tobacco industry)

How technical experts can support WGTT mandate extension

Addressing the issues of tracking and tracing systems, at national and international levels, is a broad mandate. This would include technical aspects of tracking and tracing solutions at multiple levels. This also includes the need to address policy implementation barriers to facilitate the adoption of solutions at the national level. Both of these aspects would need to be taken into account as the Working Group conducts further work on the technical specifications of the GSP and the roadmap for GSP implementation. We support continued cooperation with the UN International Computing Centre and also recommend the inclusion of technical experts from IGOs and NGOs as Working Group members.